Remarks

Claims 1 – 11 and 13 – 46 are pending in the instant patent application. Claim 12 has been canceled. Claims 1 and 6 have been amended to clarify the technical scope of the invention.

Claim Objections

Claim 44 is objected to because of a typographical error. The error has been corrected. Hence, the Examiner is respectfully requested to withdraw the rejection.

Claim Rejections

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a), three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference(s) when combined must teach or suggest all of the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991).

A Motivation to Combine Must Be Shown

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Fine*, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988). A mere conclusory statement that modifications of the prior art to meet the claimed invention would have been "well within the ordinary skill of the art at the time the claimed invention was made" because the references relied upon teach that all aspects of the claimed invention were individually known in the art is not sufficient to establish a prima facie case of obviousness without some objective reason to combine the teachings of the references. *Ex parte Levengood*, 28 U.S.P.Q.2d 1300 (Bd. Pat. App. & Inter. 1993). The Federal Circuit in *In re Zurko*, 258 F.3d 1379, 1385 (Fed. Cir. 2001), noted that "deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense' to one of ordinary skill in the art. *Id.* at 1697. In other words, *In re Zurko* expressly proscribes any reliance by an examiner on what constitutes the knowledge of one skilled in the art, when the assessment of that knowledge is not

based on any evidence in the record. The Federal Circuit further reiterated this position in *In re Lee*, where it took issue with the fact that "neither the examiner nor the Board adequately supported the selection and combination of the ... references to render obvious that which [patentee] described." *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002).

If a proposed modification would render the prior art teaching being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984).

There Must Be a Reasonable Expectation of Success

The prior art can be modified or combined to reject claims as prima facie obvious as long as there is a reasonable expectation of success. *In re Merck & Co., Inc.*, 800 F.2d 1091 (Fed. Cir. 1986). Evidence showing that there is no reasonable expectation of success supports a finding of nonobviousness. *In re Rinehart*, 531 F.2d 1048 (C.C.P.A. 1976).

All Claim Limitations Must Be Taught or Suggested

To establish prima facie obviousness of a claimed invention, all of the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974). In other words, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382 (C.C.P.A. 1970). If an independent claim is non-obvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988). A finding of obviousness under 35 U.S.C. § 103(a) requires a determination that the differences between the claimed subject matter and the prior art are such that the subject matter as a whole would have been obvious to one of ordinary skill in the art at the time the invention was made. *Graham v. Deere*, 383 U.S. 1 (1966). The relevant inquiry is whether the prior art suggests the invention and whether the prior art provides one of ordinary skill in the art with a reasonable expectation of success. Both the suggestion and the reasonable expectation of success must be found in the prior art. *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991).

In the Office Action, the Examiner has responded to Applicant's prior arguments by citing to *In re Kotzab*. The *Kotzab* case deals with the teaching, suggestion, motivation prong of an obviousness determination. Applicants' prior arguments pointed out that, contrary to the Examiner's assertions, the prior art did not teach all of the elements of each of the presented claims. In order to establish a *prima facie* case of obviousness, the Examiner is required to show that all three obviousness criteria are met.

In addressing the Examiner's rejections, each of the independent claims is dealt with separately below:

Claim 1: Claim 1 stands rejected under 35 U.S.C. § 103(a) over Anonymous in view of Wolfberg. Applicant respectfully traverses:

Claim 1 is directed to a method for modeling an investment an investment fund mix by choosing funds that provide a projected guaranteed investment amount to a user that is equal to at least a preselected guaranteed investment amount selected by the user. Neither Anonymous nor Wolfberg, either individually or in combination, teaches or suggests the establishment of "calculating the projected guaranteed amount based on projection of fund performance". Furthermore, neither Anonymous nor Wolfberg, either individually or in combination, teaches or suggests the establishment of a diversification guideline where both fund diversification and investment objective diversification are considered. Additionally, neither Anonymous nor Wolfberg, either individually or in combination, teaches or suggests the comparison of the preselected investment amount selected by the user to the projected guaranteed amount calculated by the claimed method. The system in Wolfberg is "programmed to track actual growth realized by the account against a predetermined guaranteed minimum rate return on a participants' investment base", *i.e.*, real-time monitoring of the account against a predetermined guaranteed minimum rate. This is distinctly different from comparing a preselected investment amount selected by the user to a projected guaranteed amount during the process of creating the investment model. Applicant further submits that Anonymous does not teach "a pattern of investments to meet the preselected guaranteed amount." Anonymous apparently teaches fund managers a way to justify their high management fees but provides no guaranteed amount to an investor in the fund. Applicant respectfully requests that the rejections against independent claim 1 be withdrawn because a prima facie case of obviousness has not been made since the combination of Anonymous and Wolfberg does not teach each and every limitation of independent claim 1. Applicant requests that rejections against claims 2 – 5, which depend on claim 1 be withdrawn because claim 1 is non-obvious over the combination of Anonymous and Wolfberg.

Claim 6: Claim 6 stands rejected under 35 U.S.C. § 103(a) over Wolfberg in view of Anonymous and in view of Edesses. Applicant respectfully traverses:

Claim 6 is directed to a method for identifying a fund mix for producing a projected accumulation investment account that exceeds a preselected amount for a user. None of the cited references, i.e., Anonymous, Wolfberg or Edesses, either singly or in combination, teach or suggest the calculation of the projected accumulation investment amount by projecting fund performance. Furthermore, Anonymous is

completely silent regarding "searching predetermined probability distribution functions" as claimed in claim 6. Neither of the above-mentioned claim limitations are taught by Wolfberg or Anonymous and the combination does not teach every limitation of claim 6. Therefore, Applicant respectfully requests the withdrawal of the rejection against claim 6 because a *prima facie* case of obviousness has not been established. Furthermore, Applicant requests that rejections against claims 7 – 8, which depend on claim 6 be withdrawn because claim 6 is non-obvious over the combination of Anonymous, Wolfberg and Edesses.

Claim 9: Claim 9 stands rejected under 35 U.S.C. § 103(a) over Wolfberg in view of Anonymous and in view of Edesses. Applicant respectfully traverses:

Claim 9 is directed to a method for projecting an accumulated investment amount for a particular portfolio. None of the cited references, i.e., Anonymous, Wolfberg or Edesses, either singly or in combination, teach or suggest the "probability that a fund will exceed a projected yield in any year." The Examiner recognizes this deficiency in the references, but does not provide a cure. The teaching in Edesses relates to generating a risk and return in a portfolio and the probability that of achieving a required rate for a portfolio, which is not the same as calculating a probability that a fund will exceed a projected yield in any year. Therefore, Applicant respectfully requests the withdrawal of the rejection against claim 9 because a *prima facie* case of obviousness has not been established. Applicant requests the withdrawal of the rejections of dependant claims 10-23, and 45-46 because these claims depend from claim 9 and claim 9 is non-obvious over the combination of Anonymous, Wolfberg and Edesses.

Claim 24: Claim 24 stands rejected under 35 U.S.C. § 103(a) over Wolfberg in view of Anonymous, in view of Edesses, and in view of Lane. Applicant respectfully traverses:

In rejecting claim 24, the Office Action admits that the cited references do not disclose the application of an annuity calculator or repeating steps (a) and (b) of claim 24. The Examiner further states that "Anonymous discloses repeating optimization techniques for a range of risk tolerances." The cited section of the Anonymous reference says nothing about repeating optimization techniques. Indeed, the word "repeat" does not appear anywhere in the cited section of the Anonymous reference. Because the Examiner has failed to demonstrate the presence of each and every element of claim 24 in the prior art, Applicant respectfully requests the withdrawal of the rejection against claim 24 because a *prima facie* case of obviousness has not been established. Applicant requests the withdrawal of the rejections of dependant claims 25-26, and 41-43 because these claims depend from claim 24 and claim 24 is non-obvious over the combination of Anonymous, Wolfberg, Edesses and Lane.

Claim 27: Claim 27 stands rejected under 35 U.S.C. § 103(a) over Anonymous in view of Wolfberg. Applicant respectfully traverses:

Claim 27 is directed to a method for pricing fund charges for an investment fund. In rejecting independent claim 27, the Office Action admits that Wolfberg does not disclose "selecting one from the plurality of monthly charges that produces zero value for the probability and distribution produced." The Office Action asserts that "this step would have been obvious to anyone of ordinary skill by simply selecting the appropriate value from the plurality of charges." Aside from the conclusory statement regarding what someone of ordinary skill in the art might do, the Examiner has relied on the very tactic proscribed by *In re Zurko*, *i.e.*, reliance by an examiner on what constitutes the knowledge of one skilled in the art, when the assessment of that knowledge is not based on any evidence in the record ("deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense' to one of ordinary skill in the art"). Even after *KSR v. Teleflex*, the Examiner is still required to demonstrate the existence of a particular claim element in the prior art, and cannot merely ascribe an element that is missing in a reference to the knowledge of one of ordinary skill, without a showing that the element was indeed in the prior art at the time of the invention. The only teaching or suggestion for "selecting one from the plurality of monthly charges" comes from the Applicant's own specification and appears to be improper hindsight reconstruction on the Examiner's part. Because the Examiner has failed to demonstrate the presence of each and every element of claim 27 in the prior art, Applicant respectfully requests the withdrawal of the rejection against claim 27 because a *prima facie* case of obviousness has not been established. Applicant requests the withdrawal of the rejections of dependant claims 28-29 because these claims depend from claim 27 and claim 27 is non-obvious over the combination of Anonymous and Wolfberg.

Claim 30: Claim 30 stands rejected under 35 U.S.C. § 103(a) over Anonymous in view of Wolfberg, and further in view of Lane. Applicant respectfully traverses:

Claim 30 is directed to a method for processing a selected guaranteed accumulation investment amount. The Office Action admits that the references do not disclose automatically generating a fund guarantee statement or automatically generating a fund report. Yet, the Examiner states "it was well known in the art at the time of invention to provide a customer with a guarantee or a fund report...." The Examiner goes on to explain that because a customer would want to know the status of their portfolio, an electronic fund report would be useful. However, this statement, while explaining the usefulness of Applicant's invention, cannot substitute for a showing of the element in the prior art. The Examiner has

once again impermissibly relied on the purported and unsupported knowledge of one of ordinary skill in the art to compensate for what the prior art does not teach.

With respect to the rejections based on the combination of Anonymous, Wolfberg, and Lane, Applicant respectfully submits that the combination is improper because Lane actually teaches away from the claimed invention and one of skill in the art would not look to Lane to modify the combination of Anonymous and Wolfberg.

Lane teaches investment strategies for fixed-income portfolios comprised entirely of debt instruments with a large portion (90%) in low-risk, low-yield government debt such as US Treasury Bills, US Treasury Notes, and Federal Agency Bonds. The strategies used for investing in debt instruments are very different than the strategies used for managing funds of equity instruments such as stock or funds of variable annuities.

Furthermore, Wolfberg at col. 10, lines 32 – 39 explicitly states that his invention is based on placing the initial investment base into higher-yielding funds, not the low-yield government debt instruments disclosed in Lane. One of skill in the art would know that using the low-yield bonds of Lane in Wolfberg's method would fail to generate the predetermined guaranteed minimum rate of return at the heart of Wolfberg's invention. Therefore, there is no motivation to combine Lane with Wolfberg because of the very low likelihood that the combination would even work. The combination appears to be the result of hindsight reconstruction using the Applicant's own specification as a blueprint. This is improper.

Applicant respectfully submits that the rejections based on the combination of Anonymous, Wolfberg, and Lane is improper and a *prima facie* case for obviousness has not been made.

Because the Examiner has failed to demonstrate the presence of each and every element of claim 30 in the prior art, Applicant respectfully requests the withdrawal of the rejection against claim 30 because a *prima facie* case of obviousness has not been established. Applicant requests the withdrawal of the rejection of dependant claim 31 because this claim depends from claim 30 and claim 30 is non-obvious over the combination of Anonymous, Wolfberg and Lane.

Claim 32: Claim 32 stands rejected under 35 U.S.C. § 103(a) over Anonymous in view of Wolfberg. Applicant respectfully traverses:

In rejecting independent claim 32, the Office Action asserts that Wolfberg teaches "automatically generating withdrawal and deposit instructions for the plurality of funds." Applicant respectfully submits that Wolfberg does not teach the claimed limitation but instead describes means for storing indicia in account files related to achievement of the predetermined rate of return on the initial investment base. Wolfberg does not teach or suggest "generating withdrawal and deposit instructions" but merely records how well the initial investment is on track to achieve the predetermined rate of return. Applicant requests the withdrawal of the rejection against claim 32 because of *prima facie* case of obviousness has not been made as the combination of Wolfberg and Anonymous does not teach every limitation of the claimed invention. Applicant requests the withdrawal of the rejection of dependant claims 33-34 because this claim depends from claim 32 and claim 32 is non-obvious over the combination of Anonymous and Wolfberg.

Claim 35: Claim 35 stands rejected under 35 U.S.C. § 103(a) over Anonymous in view of Wolfberg. Applicant respectfully traverses:

In rejecting independent claim 35, the Office Action asserts that Anonymous discloses "a method for processing for a user a guaranteed accumulation investment amount" and, at page 3, lines 26 – 27, "automatically generating a proposal for a guaranteed minimum benefit rider." The Office Action appears to equate Anonymous' "allocation model" with the claimed "guaranteed minimum benefit rider."

Applicant respectfully submits that Anonymous does not teach "automatically generating a proposal for a guaranteed minimum benefit rider." The allocation model recommended by Anonymous does not guarantee a minimum benefit and does not offer to the investor a rider to memorialize the guarantee. Applicant requests that the rejection against claim 35 be withdrawn because the combination of Anonymous and Wolfberg does not teach each and every limitation of the claim. Applicant requests that the rejections against claims 36 – 40 be withdrawn because they depend on claim 35, and claim 35 is non-obvious over the combination of Anonymous and Wolfberg.

Claim 44: Claim 44 stands rejected under 35 U.S.C. § 103(a) over Wolfberg.

The Office Action admits that the cited reference does not disclose a reserve factor for automatically increasing the total difference in value of selected funds relative to the guaranteed accumulation investment amount. Nevertheless, the Examiner engages in an exercise of impermissible hindsight reconstruction to arrive at an obviousness finding. Wolfberg's alleged disclosure of using resources from selected funds to supplement individual funds to bring them back up to the guaranteed

level, which even if true, is not the same as calculating and incorporating a reserve factor in a methodology that is designed to provide consistency in that way the total difference is adjusted each time, rather than having to engage in an ongoing analysis of each and every fund to determine the extent to which supplementation is required. Applicant requests that the rejection against claim 44 be withdrawn because Wolfberg does not teach each and every limitation of the claim.

CONCLUSION

In view of the foregoing, it is believed that all claims now pending in this application are in condition for allowance. Should the Examiner not agree, the Applicant respectfully asks the Examiner to contact the undersigned at 214-466-4116 (direct line) to discuss any remaining issues and accelerate the examination and allowance of this application. Authorization is granted to charge any outstanding fees due at this time for the continued prosecution of this matter to Morgan, Lewis & Bockius LLP Deposit Account No. 50-0310 (Client Matter No. 064385-5030US).

Respectfully submitted,

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